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IN THE

Supreme Court of the United States

October Term, 1962

No. 440

JIFFY ENTERPRISES, INC., *Petitioner*

v.

SEARS ROEBUCK & CO. and E. H. TATE CO., *Respondents*

E. H. TATE CO., *Respondent*

v.

JIFFY ENTERPRISES, INC., *Petitioner*

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE THIRD CIRCUIT

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JIFFY ENTERPRISES, INC., *Petitioner*

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE THIRD CIRCUIT

Petitioner, Jiffy Enterprises, Inc., prays that a Writ of Certiorari issue to review the judgment of the United States Court of Appeals for the Third Circuit, entered in the above-entitled cases on July 9, 1962.

OPINIONS BELOW

The opinion of the District Court is reported at 196 F. Supp. 286. The opinion of the Court of Appeals, printed in Appendix A hereto, infra, p. 13, is reported at F. 2d , 134 U. S. P. Q. 158.

JURISDICTION

The judgment of the Court of Appeals was entered on July 9, 1962. A Petition for Rehearing was filed on July 19, 1962, and the same was denied on July 26, 1962. The jurisdiction of this Court is invoked under 28 U. S. C. 1254(1).

QUESTIONS PRESENTED

1. Can a valid patent issue on a simple article like a picture hanger?

2. Is a two hundred percent increase in rate of production with only one-eighth the manpower made possible by the novel design of an article competent to confer patentability on the article?

3. Is unusual skill required for a valid patent, or is it sufficient that the claimed structural interrelationship be not obvious to a man having ordinary skill in the art as it existed at the time of the invention?

4. May an inventor's own disclosure be used as a proper plateau for ascertaining patentability?

5. To what extent is a patent presumed to be valid?

6. What weight is to be given by the Courts to the administrative determination of patentability made by the Patent Office, when substantially the same record is before both?

CONSTITUTIONAL PROVISION INVOLVED

The Congress shall have power . . . to promote the progress of science and useful arts by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries. U.S. Const. Art. 1, Section 8.

STATUTORY PROVISIONS INVOLVED

The statutory provisions involved are 35 U.S.C. Sections 103, 271, and 282 of the patent laws, 66 Stat. 792 (1952). They are printed in Appendix B, infra. pp. 23-24.

STATEMENT OF THE CASE

Patent 2,809,001 is an improvement patent directed to an adhesive cloth picture hanger (AT 76a).* It is conceded by all concerned that patent 2,809,001 relates to an improvement over the patentee's prior patent 2,647,711, and patent 2,809,001 so states on its face (for patent 2,647,711 see AT 78a).

There had been prior litigation between the parties in respect to patent 2,647,711 ending in a settlement agreement granting a royalty-free non-exclusive license (AT 25a).

While manufacturing picture hangers under patent 2,647,711, severe difficulties were encountered. The machinery would frequently jam up, defective picture hangers were manufactured, etc. (AT 70a). The picture hanger of patent 2,809,001 was invented to overcome the manufacturing problems associated with the manufacture of the picture hanger of patent 2,647,711. Upon its invention, all manufacturing problems were overcome, and production was increased two hundred percent while simultaneously the labor was reduced to only one-eighth of that previously required (AT 71a).

Upon the invention of patent 2,809,001, Jiffy ceased

* AT 76a refers to Appellant's Appendix before the Court of Appeals for the Third Circuit, p. 76a.

manufacturing hangers under patent 2,647,711 and has only manufactured the type of hanger set forth in patent 2,809,001. The respondent, E. H. Tate Company (hereinafter referred to as "Tate") immediately ceased manufacturing hangers under patent 2,647,711, and immediately introduced its "Chinese copy" of the hanger of patent 2,809,001.

The differences between the picture hanger of the improvement patent 2,809,001 and patent 2,647,711 were succinctly stated by the late Judge Goodrich in his opinion of May 28, 1959 denying Tate's Motion for Summary Judgment (AT 26a):

> "The claims (of patent 2,647,711) indicate that the hook is attached to the bar by a separate device, a rivet. The 001 patent provides that the hook and the attachment to the bar comprise one unit, or, as described in the patent, an 'integral tubular flange'. This suffices to distinguish what Tate is now manufacturing from what is claimed in the 711 patent."

The District Court for the Eastern District of Pennsylvania on July 21, 1961, held patent 2,809,001 to be invalid. The reported decision may be found at 196 F. Supp. 286 (E.D.Pa., 1961) (AT 100a). The District Court found there as a finding of fact:

> ". . . it is now possible to mechanize the manufacture of the picture hanger of the patent in suit by the use of automation thereby increasing the speed of production and decreasing the cost of manufacture of same. Under the old method, eighty picture hangers were manufactured per minute with four girls working on the production line. As a result of the new method, the presently used machines produce more than two hundren picture hangers per minute with part-time attendance by one girl."

The Court of Appeals, by its majority opinion (Judge

Kalodner dissenting), affirmed the District Court and held patent 2,809,001 to be invalid.

The majority of the Court of Appeals held that it is within the ability of a routine mechanic to substitute an integral rotatable part for one fixed part and one rotatable part.

The minority opinion held that the changes in the structure of the hangers of the patent in suit were not obvious at the time they were made and that they were the result of inventive faculty. Further, the minority opinion held that economy of production is a valid basis for conferring patentability on a product.

REASONS FOR GRANTING THE WRIT

1. The court has not granted certiorari in a patent case involving the validity of a patent since the passage of the 1952 Patent Act. The patent in suit provides an excellent patent for interpreting the statutory requirements for the issuance of a valid patent under the present applicable statutes. In *Great A & P Tea Co., v. Supermarket Equipment Corp.*, 340 U. S. 147, 155, 95 L. Ed. 162 (1951), Justices Douglas and Black stated that the patent statutes never sanctioned the patenting of gadgets. If the picture hanger of the patent in suit is a gadget, is the same entitled to be the subject matter of a valid patent under the presently applicable statutes?

2. As per 35 U.S.C. 282, a patent is presumed to be valid. The Courts of Appeal are virtually antithetic in the amount of weight given to this statutory presumption. The following is a comparison of the holdings of the Third and Fourth Circuits with respect to patents litigated between the initial complaint in the case at bar (October 28, 1958) and the decision of the Court of Appeals (July 9, 1962):

Circuit	*Patents Held Valid*		*Patents Held Invalid*	
	Number	*Percent*	*Number*	*Percent*
3rd	0	0%	18	100%
4th	11	73%	4	27%

The divergency between the circuits in connection with the disposition of patents directed to simple devices is as marked as the startling figures given above.

The Court of Appeals for the Fourth Circuit has favored simple structures. In the very recent decision of *Universal Incorporated v. Kay Manufacturing Corp.*, 301 F. 2d 140 (4th Cir., 1962), the Fourth Circuit held patent 2,480,667, which was directed to the shape of a corrugated spring, to be valid. The shapes of these springs are shown at 301 F. 2d 144, and constitute perhaps the simplest type of structure known to the mechanical arts, namely a sinuously corrugated spring and a V-shaped sinuously corrugated support.

Another recent decision of the Fourth Circuit revealing its penchant for validating patents directed to very simple structures was *Freedman v. Friedman*, 242 F. 2d 364 (4th Cir., 1957). A typical claim found to be valid was:

> "3. As a new article of manufacture, a pair of artificial dentures made, at least partially, of magnetized material opposed portions of which in the two dentures are of like polarity."

The Ninth Circuit has gained the well deserved reputation among the patent trial bar of favoring patents directed to simple devices. In recent years the Ninth Circuit has upheld patents to stripping for securing carpets, carpet underlays, handles for tools, license plate holders, window screens, vacuum cleaner nozzles, contact lenses, door knobs, etc. Thus, since the enactment of the Patent Act of 1952 the Ninth Circuit has sustained patents directed to these simple articles in the following cases:

Roth v. Roberts Mfg. Co., 290 F. 2d 200 (9th Cir., 1961) (carpet securing strip).

National Sponge Cushion Co., Inc. v. Rubber Corporation of California, 286 F. 2d 731 (9th Cir., 1961) (carpet underlay).

Speed Corp. v. Webster, 262 F. 2d 482 (9th Cir., 1959) (tool handle).

Robert W. Brown & Co., Inc. v. DeBell, 243 F. 2d 200 (9th Cir., 1957) (design for automobile license plate holder).

Ry-Lock Company, Ltd. v. Sears, Roebuck & Co., 227 F. 2d 615 (9th Cir., 1955) (lock for window screens).

Filtex Corp. v. Amen Atiyeh, 216 F. 2d 443 (9th Cir., 1954) (vacuum cleaner nozzle).

Kwikset Locks, Inc. v. Hillgren, 210 F. 2d 483 (9th Cir., 1954) (door knob).

Air Devices, Inc. v. Air Factors, Inc., 210 F. 2d 481 (9th Cir., 1954) (air distributor grill).

Pacific Contact Laboratories, Inc. v. Solex Laboratories, Inc., 209 F. 2d 529 (9th Cir., 1953) (contact lens).

Patterson-Ballagh Corp. v. Moss, 201 F. 2d 403 (9th Cir., 1953) (wire line guide).

The disposition of patents directed to simple devices by the Fourth and Ninth Circuits is to be contrasted with the disposition of such patetnts by the Eighth Circuit. A detailed study of every patent infringement opinion of the Eighth Circuit since the enactment of the Patent Act of 1952 reveals that without exception this Circuit has held invalid every patent directed to a simple device which came before it. See for example:

Syracuse v. H. Daust Mfg. Co., 280 F. 2d 377 (8th Cir., 1960) (handbag).

Steffan v. Weber Heating & Sheet Metal Co., 237 F. 2d. 601 (8th Cir., 1956) (keeper for door jambs).

Steffan v. Len A. Maune Co., 234 F. 2d 750 (8th Cir., 1956) (first patent for slots for insertion of door

hinges, and second patent for adjustable door casing). . .

Auto Specialties Mfg. Co. v Handler Motor Supply Co., 226 F. 2d 853 (8th Cir., 1955) (bumper jack).

Weil-Kalter Mfg. Co. v. Sel-Mor Garment Co., 205 F. 2d 535 (8th Cir., 1953) (women's slips).

Without guidance from this Court, the dichotomy between the circuits, as typified by the Fourth and Ninth Circuits on the one hand, and the Third and Eighth Circuits on the other hand, will inevitably continue. This has already led to the blurring of standards, and the by-product evil of forum shopping. The apprehensions voiced by Mr. Justice Frankfurter in *Kerotest Mfg. Co. v. C-O-Two Fire Equipment Co.*, 342 U. S. 180, 185, 96 L. Ed 200, 72 S. Ct. 219 (1952) have come to pass. The patent trial bar is largely engaged in endeavoring to place its litigation in forums "selected because of greater hospitality to patents". The "corrective review" referred to by Mr. Justice Frankfurter to be rendered by this Court under these circumstances is now due.

The case at bar represents the only case in the Court of Appeals for the Third Circuit in which there was a dissent on the issue of validity, namely, a judge voting to sustain the patent, during the 3¾ years of the pendency of this litigation.

3. With the advent of automation, more and more situations will present themselves wherein courts must decide the validity of a patent relating to an article which has been designed to increase its economy of production and eliminate the necessity for manpower.

There is an antipodal view on this, both in the majority and minority opinions of the lower court in the case at bar, and in other circuits.

In the majority opinion and in the opinion of the district court, the Rule for the Third Circuit was laid down, namely that in a patent to an article or product, economy

of production "is not sufficient to confer patentability upon a product".

The Rule of the Second and Fourth Circuits as pointed out in the minority opinion is directly contrary. Thus, in *Reiner v. I. Leon*, 285 F. 2d 501, 504 (2nd Cir., 1960), cert. den. 366 U. S. 929 the late Judge Learned Hand stated:

> ". . . economy of production is as valid a basis for invention as foresight in the disclosure of new means. In the case at bar, the saving of material as compared to anything that has preceded, was very great indeed. . . .".

This Court ruled on this exact issue in *Webster Loom Company v. Higgins*, 105 U.S. 850, 591, 26 L.Ed. 1177 (1882) wherein this Court stated:

> "It may be laid down as a general rule; though perhaps not an invariable one, that if a new combination and arrangement of known elements produce a new and beenficial result, never attained before, it is evidence of invention. It was certainly a new and useful result to make a loom produce fifty yards a day when it never before had produced more than forty; . . .".

The case at bar squarely raises this issue since the structural changes made in the picture hanger of the patent in suit enabled the rate of production to be increased two hundred percent while reducing the labor to one-eighth of that previously required.

4. The majority opinion of the Third Circuit held that the picture hanger of the patent in suit did not require unusual skill nor produce unusual results, relying on *Lincoln Engineering Co. of Illinois v. Stewart-Warner Corp.*, 303 U.S. 545, 549, 58 S. Ct. 662, 82 L.Ed. 1008 (1938). Reliance on this decision is considered to be misplaced since the decision precedes in time the enactment of 35 U.S.C. 103 which states that the test is obviousness, and that:

"Patentability shall not be negatived by the manner in which the invention was made."

The courts and the patent bar anxiously await interpretation by this Court as to whether *Lincoln Engineering Co. of Illinois v. Stewart-Warner Corp.*, supra, and *Great A&P Tea Co. v. Supermarket Equipment Corp.*, supra, are controlling in view of subsequently enacted 35 U.S.C. 103 as pertains to the test for invention.

5. In the majority opinion by the Third Circuit; the Court rejected the patentability of the invention using the hindsight of the inventor's disclosure. This is an erroneous test and directly conflicts with this Court's opinions and those of other Circuits.

In *Eibel Process Co. v. Minnesota & Ontario Paper Co.*, 261 U.S. 45, 68, 67 L.Ed. 523, 534, 43 S.Ct. 322 (1922), the court stated:

"It was the discovery of the source not before known and the application of the remedy for which Eibel was entitled to be rewarded in his patent."

Similar statements were made in *Pointer v. Six Wheel Corp.*, 177 F. 2d 153, 160 (9th Cir., 1949); *In re Antonson*, 272 F. 2d 948, 949 (C. C. P. A., 1959).

6. In the decision by the Court of Appeals, Appendix B, the Court completely ignores the administrative determination by the experts of the Patent Office *on substantially the same prior art and does not point out where the Patent Office erred.* The Court of Appeals for the District of Columbia has repeatedly taken a directly opposite position. Hence, the latter Court has held that the Patent Office determination is controlling unless clearly erroneous and established by evidence which in character and amount carries thorough conviction, *Esso Standard Oil Co. v. Sun Oil Co.*, 229 F. 2d 37 (App. D. C., 1956); *C. H. Boehringer Sohn v. Watson, Comr. Pats.*, 256 F. 2d 713 (App. D. C., 1958; *Schafer v. Watson, Comr. Pats.*, 288 F. 2d 144 (App. D. C., 1961).

RECOGNITION BY LAY PRESS OF NEED FOR SUPREME COURT ACTION

The case at bar points up precisely the quandary to which the industry of the United States has been subjected by the failure of this Court to act upon the validity of a patent for more than a decade. In *Fortune Magazine* for September, 1962 at page 111, there is a pithy article entitled; *The Patent Mess* by Samuel W. Bryant. The article deals with the disastrous affect upon the economy of the failure of difection of our patent system. Thus, the lead for the article states:

> *The government spends $12 billion a year to encourage inventions, but its administration of patents is tortuous, confused, inconsistent. DOD has one policy, AEC another, NASA another; and U.S. courts, where a lot of patent cases land, have almost as many ideas as there are judges.*

Of utmost interest to this Court is the passage of the article at pages 113 and 226 entitled: *The Supreme Court loses interest:*

> **"The Supreme Court loses interest**
>
> The problems of the Patent Office, and of the courts in patent cases—and of the inventor—have been much more complex since 1941, when the U.S. Supreme Court ruled that the criterion in the granting of a patent was 'the flash of creative genius' shown by an inventor. It was not enough, in other words, to add two and two and get four. In 1942 the Court, in the landmark case of Marconi Wireless Telegraph Co. v. U.S., invalidated the broad claims based on Marconi's patents, holding that what Marconi did had been 'anticipated.' (Justice Frankfurter dissented from the Court's finding in this case, and remarked, acidly, 'It is an old observation that the training of Anglo-

American judges ill fits them to discharge the duties cast upon them by patent legislation.'

The Marconi case was the Court's last major pronouncement on the criteria underlying patent awards; in recent years the Court has shown little interest in patent cases. The effect of this denial of the Court's services has been to leave patent cases in the eleven appeals courts. With these the inventor's problem, and sometimes his opportunity, is that each court has its own highly individualistic attitude toward patent law. If the inventor wants to defend his patent against infringement, for example, he is well advised to have his case tried in the Fourth Circuit (the South Atlantic states); if, on the other hand, a manufacturer wants to defend himself against an alleged infringement of a patent, he would find the Eighth Circuit (Midwest) generally disposed to be 'anti-patent.' If his case were tried in Texas, he might, until recently, have found making the decisions an octogenarian judge who appeared to believe that virtually all patents were valid. The lawyers may thrive on this chaos, but it can be hard on the inventors."

CONCLUSION

For the foregoing reasons, this Petition for a Writ of Certiorari should be granted.

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APPENDIX A

UNITED STATES COURT OF APPEALS
FOR THE THIRD CIRCUIT

No. 13,804

JIFFY ENTERPRISES, INC.
Appellant

v.

SEARS, ROEBUCK & CO., AND E. H. TATE CO.

No. 13,805

E. H. TATE CO.

v.

JIFFY ENTERPRISES, INC.
Appellant

Appeals from the United States District Court for the Eastern District of Pennsylvania.

Argued March 22, 1962

Before MCLAUGHLIN, KALODNER and GANEY, *Circuit Judges.*

OPINION OF THE COURT

(Filed July 9, 1962)

By MCLAUGHLIN, *Circuit Judge.*

The first of these two patent cases (consolidated for trial) is a suit by Tate to declare Jiffy's Margulis patent 2,809,001 invalid. The second is by Jiffy for infringement

of the patent. The trial court, finding the patent invalid, granted a declaratory judgment to Tate and dismissed the Jiffy complaint. Jiffy appeals both judgments.[1]

Our concern is with the validity of the product patent involved. It consists of a nail-less adhesive picture hanger capable of being secured to a wall without penetrating its surface.

In 1953 Tate sued Jiffy to invalidate the original patent 2,647,711.[2] Two years later that action was settled by

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[1] In No. 13,805 Tate, as plaintiff, moved for summary judgment. This was prior to the consolidation of the two civil actions. The sole ground urged by Tate on this motion was that it was entitled to make the '001 hangers on the basis of the license agreement concerning the '711 hangers. The motion was denied, the court finding that the '001 hanger "does not fit within the language of" the claims made in the '711 patent, because the '711 "claims indicate that the hook is attached to the bar by a separate device, a rivet. The 001 patent provides that the hook and the attachment to the bar comprise one unit, or as described in the patent, an 'integral tubular flange.' This suffices to distinguish what Tate is now manufacturing from what is claimed in the 711 patent." Jiffy deems this to be "[t]he law of the case in the court below * * * the picture hanger of the patent in suit is not within the closest prior art, namely patent 2,647,711 * * *." However, the court specifically stated in its opinion on the motion that it was not considering "at this stage of the litigation" Tate's claim that the '001 patent is invalid since this claim "was not pressed upon the argument for summary judgment * * *." The court confined itself to Tate's claim of license, a claim which has been subsequently abandoned.

[2] As described in the patent the '711 hanger is:

"* * * comprised of a strip of material 11, such as cloth, coated on one side (rear face) with a water activated adhesive. The cloth strip is folded under on itself along a transverse line of fold 12 disposed intermediate its ends to form a pair of flaps 13 and 14, and an intermediate hem as illustratively defined by said fold-line and transverse line of stitching 15 spaced upwardly therefrom. A steel support bar 16 is secured in said hem between the adhesive surfaces of said flaps, and a metallic hook 19 is pivotally secured upon said support bar intermediate its ends.

* * * * *

"A small circular opening 17 (figure 4) is provided through the bar 16 intermediate the ends thereof. * * *

an agreement which gave Tate a royalty-free, non-exclusive license to manufacture the '711 hangers. The trial court properly found as a fact under the evidence that "Tate has made a hanger embodying the alleged invention of the Margulis ('001) patent in suit. Tate has been engaged in prior litigation in 1955 against the first Margulis patent '711, and *in December 1955 when the prior litigation was settled by the grant of a free non-exclusive license under Margulis '711, Tate was making the particular Hanger now charged to infringe the Margulis patent in suit*, which was merely a pending application at that time. As soon as Tate learned the Margulis patent in suit had been granted and that its current hanger was charged to infringe, Tate immediately brought the present Declaratory Judgment suit. Pending the outcome of this litigation, Tate has not been making the hanger of the Margulis patent in suit since shortly after bringing this suit." The sole physical difference between the hangers is the arrangement for the hook. This is described in the '001 patent as follows:

> "A hook 19 * * * is pivotally secured upon support bar 17, by having a perpendicular integral tubular flange 20 inserted through hook-receiving opening 18 of support bar 17 and mating openings 26 and 27 on the juxtaposed faces of the hem. The rear end of

---

"A hanger hook 19 (figure 5), which may be metallic, has a shank portion 20 with an opening 21 extending through the upper end thereof and a hook portion 22 secured to the lower end. The shank 20 is positioned snugly adjacent said fold 12 (Figure 6) with its opening 21 coaxial with the opening 17 in the metal bar 16, and with the hook portion 22 on the opposite side from the bar 16.

"The metal hook 19 is secured in position by means of a hollow metal rivet 23 which extends through the hook opening 21, the opening 17 in the bar 16, and appropriate openings in the strip 11. The size of the opening 21 in the shank 20 and the inside and outside diameters of the rivet 23 are arranged so that the hanger hook is free to pivot to different positions as indicated by the broken line position of the hook in Figure 1."

flange 20 which projects somewhat beyond the rear opening 27 of the hem is flared, swaged or peened so as to retain hook 19 on hanger 10. This is readily accomplished, as tubular flange 20 is of relatively thin cross-section compared with the shank portion 21 and bight or bill portion 22 of hook 19. Hook 19 is secured in position by the flared outwardly turned rear portion of tubular flange 20 and the rear face of shank portion 21 adjacent the flange. The outside diameter of tubular flange 20 is smaller than the diameter of hook-receiving opening 18 and the flared portion of flange 20 does not engage strip 11 so tightly as to prevent pivotation of hook 19."

It is undisputed that the '711 patent is the closest prior art to the patent in question. Viewing the hangers side by side, the basic difference between the two which is readily perceptible to the eye is that the hook on the '711 hanger *swivels around the head of a separate eyelet* which is inserted through a hole in the metal support bar while the hook on the '001 hanger *is part of an integral flanged eyelet* which is also inserted through a hole in the bar. As a result of substituting a single moving element for a moving element and a stationary element, which together obviously serve the same function as the single moving element, Jiffy alleges the following structural differences and advantages to have accrued in the '001 hanger: (1) it is thinner, making it "easier to interlock an eye of one picture hanger with the bill of the hook of another picture hanger"; (2) it is lighter, "thereby reducing shipping costs"; (3) it is more efficient because "there are no metal to metal rubbing surfaces * * *" causing the hook to stick in one position. Thus, "the hook is easier to rotate * * *." The rotary mounting better facilitates the use of two or more hangers acting in concert to enable greater weights to be hung thereon; (4) it is "easier to manufacture * * * since fewer steps are needed" and there are none of the

"jamming and alignment problems associated with the manufacture" of the '711 hanger; (5) it can be manufactured much more rapidly because the integral hook arrangement facilitates an increase of automation in the manufacturing process; and (6) it is therefore "cheaper to manufacture * * *."

As stated the '001 patent is for a product. From the facts, it is apparent that if the '001 hanger is to be considered patentable apart from the patented '711 hanger, there must be embodied within it certain structural features which distinguish it from the '711 hanger and which meet the test of invention, to wit: Whether "the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains." 35 U.S.C., 1952 ed., Section 103. See R. M. Palmer Company v. Luden's, Inc., 236 F.2d 496, 500 (3 Cir., 1956). The only distinguishing features between the two hangers are the substitution of the hook and separate eyelet by a hook with an integral flanged eyelet, a decrease in weight and thickness, and an increase in hook mobility. Aside from the hook arrangement, the district court found "upon examination of the two hangers" that "any difference in weight, mobility of the hook, or thickness of the hanger is, at best negligible." 196 F.Supp. at 291. This finding of fact by the district court cannot be disturbed unless clearly erroneous. R. M. Palmer, supra at 498. Our own examination of the two hangers reveals that beyond any reasonable doubt, these differences are not readily perceptible to the senses. The district court also found with justification that the advantages claimed from these differences "are not, in fact, there." 196 F. Supp. at 291.

Regarding the change in hook arrangement, the district court said, "The substitution of functional equivalents, albeit one piece for two, does not constitute an advance in the art. For this reaosn alone '001 does not embody any new

concept which might achieve the dignity of invention." Ibid. It cited in support Welsh Manufacturing Co. v. Sunware Products Co., 236 F. 2d 225 (2 Cir., 1956), and 1 Walker on Patents 196 (Deller ed., 1937) the latter citing numerous authority. Jiffy contends that reliance on these authorities "was improper" because they "refer to a situation wherein separate parts are *rigidly* secured together and the alleged invention was the making of the entire unit in one integral piece. In the case at bar, the invention resides in making integral parts which formerly were *rotatably* movably secured together." Jiffy asserts that "this distinction is extremely important and the court below failed to grasp its significance." Actually the substitution of one integral rotatable part for one fixed part and one rotatable part calls for nothing more than the exercise of routine mechanical skill. It is in principle the same as the substitution of one integral fixed part for two separate fixed parts under the general rule.

Jiffy next contends that the trial judge erred in relying upon patents outside the art to which picture hangers pertain in concluding that the use of an integral hook arrangement was anticipated. This was an alternative holding by the court in connection with its conclusion of lack of invention. See 35 U. S. C., 1952 ed., Section 102(e). Those patents deal with shoe lacing-hooks, glove fasteners, envelope fasteners, and the like, having in common the employment of an integral hook arrangement similar or identical to the one in question. The court held that the use of the arrangement in the '001 patent "was an obvious expedient" in view of the "common practice in industry to make hooks with integral flanged eyelets for many purposes." Id. at 295. It also found that there was no showing by Jiffy that "there was a demand in the industry for such combination. When Margulis perceived there could be an advantage in assembling the parts to make the hook and eyelet in one piece, and hence a reduction in cost of manufacture, he had only to order the part from The Edwin B. Stimpson Co., who were readily equipped to supply it, . . . who were already

supplying the hook and eyelet in two separate pieces" and who had "made many kinds of small metal pieces, including hooks with integral eyelets for many years for many purposes. . . . [T]he part was made promptly available to Jiffy by the Stimpson Company." Id. at 297. We find no error here. Zephyr American Corp. v. Bates Mfg. Co., 128 F. 2d 380, 383 (3 Cir., 1942); Welsh Manufacturing Co. v. Sunware Products Co., supra at 226.

There is nothing about the '001 hanger which suggests any reasonable advance in the character or utility of the product apart from that embodied in the '711 hanger. They are basically the same product with the exception that the '001 hanger is modified to permit a more simple and faster manufacturing process. This is not sufficient to confer patentability upon a product. Pfanstiehl Chemical Co. v. American Platinum Works, 135 F. 2d 171 (3 Cir., 1943). The same reasoning applies to the commercial success of the '001 hanger. Commercial success is not sufficient to confer patentability upon a product not otherwise patentable. Stanley Works v. Rockwell Mfg. Co., 203 F.2d 846, 848 (3 Cir. 1953), cert. den. 346 U.S. 818 (1953). Though of no vital importance, it is noteworthy that there is no evidence that the commercial success was caused by any advance in the '001 hanger as compared to the earlier one.

Lastly, Jiffy contends that this appeal is governed by R. M. Palmer Company v. Luden's, Inc, supra. In that suit, however, the invention was not obvious to those skilled in the art. The patents were for designs of chocolate animals which "disclose artistic treatment in form and configuration, creating a pleasing impression and substantially different aesthetic effect * * *" and which, "reflect originality born of inventive faculty." Id. at 501. These designs "awakened the [stagnant and lagging] industry to a new satisfaction of a long felt need." Id. at 498. The facts in Luden's are nowise comparable to those before us. Dollag Corporation v. Margon Corporation, 275 F. 2d 202

(3 Cir., 1960), is more in point. The patent was for a new, more realistic doll eye combination. Although it had "been customary to provide radial serrations for the express purpose of stimulating natural iris lines," defendant claimed "discovery of a reflection of incident light in contrast with an adjacent non-reflective pupil portion." Id. at 204. However, the serrated surface was no different than that described in prior art "except the function ascribed to it." Ibid. We there concluded that:

> "To assemble the teachings of others and yet produce a device validly patentable, there must intervene * * * more ingenuity than that of a mechanic skilled in the art. It is settled teaching of the patent law that the aggregation of old elements which, in the aggregation, perform or produce no new or different function than that performed or produced by them theretofore, is not patentable invention. Lincoln Engineering Co. of Illinois v. Stewart-Warner Corp., 1938, 303 U.S. 545, 549, 58 S.Ct. 662, 82 L.Ed. 1008." Ibid.

The use of the integral hook arrangement in the case at bar falls well within the import of these words. It neither required unusual skill nor produced unusual results; it was apparent to an ordinary person skilled in the art when the occasion demanded.

The judgments of the district court will be affirmed.

KALODNER, *Circuit Judge*, Dissenting

The majority's disposition is based on two grounds: (1) the "differences [between the '711 and '001 patents] are not readily perceptible to the senses"; and (2) the changes between '711 and '001 were *obvious;* consequently the '001 patent is invalid.

On the score of the first ground, the late Judge Goodrich, sitting specially in the District Court in an earlier phase of this litigation, denied Tate's motion for summary

judgment on the specific ground that the hangers made under '001 "differed" from those made under '711, contrary to the majority's view and contrary to the finding of the Court below that "any differences [in the hangers] is at best negligible."

I agree with Judge Goodrich's view that the hangers are different.

As to the majority's second point of *obviousness:*

While the changes in the structure of the hangers made under '001 may be obvious *after* they were made, that does not mean that they were obvious *before* they were made.

As was said in Goodyear Tire & Rubber Co. v. Ray-O-Vac Co., 321 U.S. 275, 279 (1944):

> "Viewed after the event, the means Anthony adopted seem simple and such as should have been obvious to those who worked in the field, but this is not enough to negative invention."

To the same effect see Diamond Rubber Co. v. Consolidated Rubber Tire Co., 220 U.S. 428, 434, 435 (1911).

In my opinion the changes made in '001 "were non-obvious at the time they were made; that they were the result of inventive faculty." R. M. Palmer Company v. Luden's Inc., 236 F.2d 496, 498 (3 Cir. 1956).

The record here discloses ample basis for holding '001 valid because of the "economy of production" which it made possible, with resulting decrease in cost to the ultimate consumer in the course of its tremendous commercial success.

On the score of the foregoing the District Court made the factual findings (Finding of Fact No. 20):

> ". . . it is now possible to mechanize the manufacture of the picture hanger of the patent suit by the use of automation thereby increasing the speed of production and decreasing the cost of manufacture of same. Under the old method, eighty picture hangers were manufactured per minute with four girls working on

the production line. As a result of the new method, the presently used machines produce more than two hundred picture hangers per minute with part-time attendance by one girl."

As the late Judge Learned Hand said in Reiner v. I. Leon Co., 285 F.2d 501, 504 (2 Cir. 1960), cert. den. 366 U.S. 929:

". . . economy of production is as valid a basis for invention as foresight in the disclosure of new means. In the case at bar the saving of material as compared to anything that had preceded, was very great indeed . . ."

To the same effect, see Entron of Maryland, Inc. v. Jerrold Electronics Corp., 295 F. 2d 670, 675 (4 Cir. 1961); Norman v. Lawrence, 285 F.2d 505 (2 Cir. 1960).

For the reasons stated I would reverse the judgments of the District Court.

A True Copy:

Teste:

Clerk of the United States Court of Appeals for the Third Circuit.

APPENDIX B

§ 103. Conditions for patentability; non-obvious subject matter

A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

§ 271. Infringement of patent

(a) Except as otherwise provided in this title, whoever without authority makes, uses or sells any patented invention, within the United States during the term of the patent therefor, infringes the patent.

(b) Whoever actively induces infringement of a patent shall be liable as an infringer.

(c) Whoever sells a component of a patented machine, manufacture, combination or composition, or a material or apparatus for use in practicing a patented process, constituting a material part of the invention, knowing the same to be especially made or especially adapted for use in an infringement of such patent, and not a staple article or commodity of commerce suitable for substantial noninfringing use, shall be liable as a contributory infringer.

(d) No patent owner otherwise entitled to relief for infringement or contributory infringement of a patent shall be denied relief or deemed guilty of misuse or illegal extension of the patent right by reason of his having done one or more of the following: (1) derived revenue from acts which if performed by another without his consent would constitute contributory infringement of the patent; (2) licensed or authorized another to perform acts which if per-

formed without his consent would constitute contributory infringement of the patent; (3) sought to enforce his patent rights against infringement or contributory infringement.

§ 282. Presumption of validity; defenses

A patent shall be presumed valid. The burden of establishing invalidity of a patent shall rest on a party asserting it.

The following shall be defenses in any action involving the validity or infringement of a patent and shall be pleaded:

(1) Noninfringement, absence of liability for infringement, or unenforceability,

(2) Invalidity of the patent or any claim in suit on any ground specified in part II of this title as a condition for patentability,

(3) Invalidity of the patent or any claim in suit for failure to comply with any requirement of sections 112 or 251 of this title,

(4) Any other fact or act made a defense by this title.

In actions involving the validity or infringement of a patent the party asserting invalidity or noninfringement shall give notice in the pleadings or otherwise in writing to the adverse party at least thirty days before the trial, of the country, number, date, and name of the patentee of any patent, the title, date, and page numbers of any publication to be relied upon as anticipation of the patent in suit or, except in actions in the United States Court of Claims, as showing the state of the art, and the name and address of any person who may be relied upon as the prior inventor or as having prior knowledge of or as having previously used or offered for sale the invention of the patent in suit. In the absence of such notice proof of the said matters may not be made at the trial except on such terms as the court requires.